

FISCAL MEMORANDUM

HB 3386 – SB 3840

February 26, 2008

SUMMARY OF AMENDMENT (014213): Deletes the language of the original bill. Permits motor vehicle or motorcycle owners who will be out of state during their annual registration plate renewal month to apply for and receive registration renewal for the original registration period, when all requirements for registration have been met. Requires the Commissioner of Revenue to provide all registration plates, tabs, stickers and other required devices to county clerk offices at least 90 days prior to each registration period in order to facilitate early registration renewal.

FISCAL IMPACT OF ORIGINAL BILL:

State Revenue – Net Impact – Not Significant
Increase State Expenditures – \$5,000/One-Time

Local Revenue – Net Impact – Not Significant
Increase Local Expenditures* - \$28,500/Once every five years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

State Revenue – Net Impact – Not Significant
Increase State Expenditures – \$5,000/One-Time

Local Revenue – Net Impact – Not Significant
Increase Local Expenditures* - \$19,000/Once every five years

Assumptions applied to amendment:

- According to the Department of Revenue (DOR), this bill would create additional expenditures for county clerks in years when new metal license plates are issued. Typically, new metal plates are issued every five years. County clerk expenses would increase as a result of having to physically store two sets of plates for approximately three additional months. Such increased costs are difficult to determine due to differing amounts of available space among county clerk offices. However, such increased local government expenditures are reasonably estimated to be

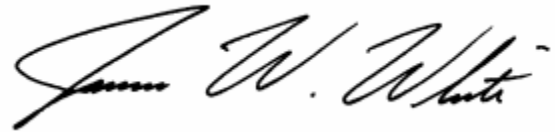
\$19,000 every five years. This estimate assumes an average of \$200 per county clerk for additional expenses related to inventory costs.

- According to DOR, modifications to the department's TRUST computer system would be required. Such one-time increase to state expenditures is estimated to be \$5,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc